



**STATEMENT OF PROCEEDINGS FOR THE  
REGULAR MEETING OF THE LOS ANGELES COUNTY  
COMMISSION ON INSURANCE**

**KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 374-A  
LOS ANGELES, CALIFORNIA 90012**

**Website: [www.lacic.org](http://www.lacic.org)**

**Thursday, February 10, 2011**

**10:00 AM**

**Present:** Chairman Svonkin, Vice Chair Falcon, Commissioner Binder, Commissioner Blake, Commissioner Lohr, Commissioner Nash and Commissioner Torres

**Excused:** Commissioner Brown J.D., Commissioner Callagy and Commissioner Vicencia

1. Call to order. (11-0838)

**The meeting was called to order by Chairman Svonkin at 10:15 a.m.**

2. Pledge of Allegiance (11-0839)

**Pledge of Allegiance was led by Chairman Svonkin.**

**I. ADMINISTRATIVE MATTER**

3. Recommendation to approve the December 10, 2010 meeting minutes. (11-0760)

**On motion of Commissioner Binder, seconded by Commissioner Blake, with Commissioners Nash and Torres abstaining, the Commission approved the Minutes of December 9, 2010 with the following amendment.**

**Item 6 - add the following:**

**Commissioner Nash suggested all agents should be mandated to carry Errors and Omissions (E & O) to protect the consumer. The consumer is protected in two ways with the assets or reserves of the company or the Agent-Broker E & O carrier.**

**Commissioner Binder added the agents should inform the applicant if they carry Errors and Omissions insurance.**

**Ayes:** 5 - Chairman Svonkin, Vice Chair Falcon, Commissioner Binder, Commissioner Blake and Commissioner Lohr

**Abstentions:** 2 - Commissioner Nash and Commissioner Torres

**Excused:** 3 - Commissioner Brown J.D., Commissioner Callagy and Commissioner Vicencia

**Attachments:** [SUPPORTING DOCUMENT](#)

4. Recommendation to receive and file the Chairman's report. (11-0768)

**Chairman Svonkin reported the following:**

- **Congratulation letters were sent to recently elected officials.**
- **Commissioner Nash was re-appointed to the Commission by Supervisor Antonovich on January 11, 2011, for a second term ending in December 20, 2012.**
- **On February 4, 2011, staff emailed a follow-up to Insurance Commissioner Jones' scheduler to set a date for his attendance to a Commission meeting. Staff has not received a response yet.**
- **Chairman Svonkin directed staff to send letters inviting Anthem Blue Cross, Kaiser Permanente and Pacifica Care to attend a future meeting to discuss criteria and resources the insurance industry uses to evaluate and justify their rate increases.**

**Chairman Svonkin, suggested the Commission will hold a Special meeting when Insurance Commissioner Jones is in Los Angeles to discuss issues and points of interest.**

**By Common Consent, Chairman Svonkin moved to receive and file the Chairman's Report.**

**II. DISCUSSIONS**

5. Discussion on Blue Shield 60-day delay to increase policyholders' health insurance rates. (11-0770)

**Chairman Svonkin, discussed the article in Los Angeles Times "Blue Shield Agrees to Postpone Rate Increases for 60 Days", stating the health insurer had rejected Insurance Commissioner Dave Jones' request for a delay last month to review its filing. Blue Shield followed three of its competitors - Aetna Inc., Anthem Blue Cross and Pacifica Care in agreeing to requests from Insurance Commissioner Jones to delay rate increases for 60 Days.**

**Insurance Commissioner Jones pointed out that he can block increases only in cases in which an insurer does not spend enough of its premium income on medical care for policy holders. The federal government has set that threshold at 80% of income.**

**The Commission is interested to find out if Insurance Companies' rate increases by territory are legal and what remedy individual policy holders have when their rate is increased by 40% to 50%.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

### **III. REPORTS**

- 6.**    Update by Commissioner Brown on the Fraud Survey. (10-2835)

**Staff reported the Fraud Survey was forwarded to the Supervisors Deputies, to date there are no responses. Staff suggested the Committee forward the Fraud Survey to the Office of County Investigations who oversees the County's Fraud Hotline.**

**This item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

### **IV. MISCELLANEOUS**

- 7.**    Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting) (11-0848)

**There were no matters presented for a future agenda.**

- 8.**    Public Comment (11-0846)

**There were no members of the public present to address the Commission.**

- 9.**    Adjournment (11-0847)

**The meeting was adjourned at 10:30 a.m. The next meeting of the Insurance Commission is scheduled for April 14, 2011.**